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GENERAL

1. Belgian-Dutch attitude on Czechoslovak trade concessions--A representative of the Belgian Foreign Office has informed US Charge Millard that because Belgium might have to vote against the US on the question of the exclusion of Czechoslovakia from the General Agreement on Tariffs and Trade (GATT), the Belgians would prefer as the matter now stands to be absent from the New York meeting of GATT. The Belgian official explained that although the Belgian Foreign Office concedes the probable scandness of the US view on this question: (a) Belgium is now negotiating a trade agreement with Czechoślovnkia; (b) the Czechoslovaks maintain that they intend to fulfill their existing trade and tariff obligations; and (c) Belgium is not disposed to prejudge Czechoslovak policy.

The Netherlands Foreign Minister has told US Ambassador Baruch that the Netherlands also cannot support the US in withdrawing trade concessions from Czechoslovakia.

2. New approach to Kashmir problem -- According to the US delegation at the UN, Security Council President Lopez (Colombia) has received from the Government of India delegation a letter which indicates that India's position in the Kashmir dispute has "substantially hardened." The US delegation reports that pessimism now prevails among representatives to the Security Council concerning the possibility of a settlement based on the Chinese proposal. The US, the UK, France, Canada, China, and Belgium informally agreed that Lopez should inform India and Pakistan that, in view of their inability to agree, he would recommend that the Security Council advance its own proposal. Because of China's unwillingness to become sole sponsor of a resolution based on its own proposal, the US delegation recommends, that the US act as co-sponsor with China. The US delegation believes that the UK, Canada, and Belgium will follow the US lead.

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MEAR EAST-AFRICA

3. IRAN: Shah possimistic over possible Soviet invasion—US Ambassador Wiley reports that the Shah views the future with deep pessimism and evidently foresees a Soviet invasion of Iran "at no very remote date." According to Wiley, the Shah is impressed by the "firmness and clarity" of US policy but fears that US aid to Iran may be belated and insufficient. The Shah intimated to Wiley that he would feel more confident if substantial US military aid, similar to that extended to Turkey, were made available to Iran.

PAR EAST

4. SIAM: Imminent coup d'état--US Embassy Bangkok reports that following a 6 April ultimatum by the Siamese Army which demands that the present Khuang Abhaiwong Government resign, the Cabinet immediately went into special session. The US Naval Attache in Bangkok had reported on 6 April that a bloodless coup by Marshal Phibul and the army was imminent and that the Siamese Navy was taking a neutral position.

(CIA Comment: The probability of a coup by Phibul to oust the Abhaiwong Government after foreign recognition had been obtained was forecast

The resignation of the present cabinet will be followed by the accession to the premiership by Phibul or another strong leader acceptable to the army. An early result of the shift of power to the military may be that strong measures will be directed against the Chinese community in Siam, which has been accused recently of plotting to seize control of the country.)

5. PHILIPPINES: US-Philippine bases agreement questioned—US Ambassador Manila has urgently requested instructions concerning a petition filed with the Philippine Supreme Court which questions the constitutionality of paragraph A of Article 13 of the US-Philippine Military Bases Agreement. A petition



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has been presented on behalf of a Filipino civilian employee of the US Army who was convicted of theft by a US Army court-martial and sentenced to five years' imprisonment. The Ambassador suggests that surrendering the Filipino involved would avoid discussion of the intricate and far-reaching issues of constitutionality and violation of agreement but notes that further delay of the case beyond 8 April may not be granted. The Ambassador believes that the petition will give the Philippine Supreme Court an opportunity to render a decision on the right of US courts-martial to try civilians of any nationality and that the decision would probably be adverse to the US.

(CIA Comment: CIA agrees that the Philippine Supreme Court may render a decision adverse to the US, and believes that in any event the case will precipitate publicity unfavorable to the US.)

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